

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 29, 2015

CERTIFIED RETURN RECEIPT 7012 3460 0002 9559 6571

Castle Valley Mining, LLC Jaren Jorgensen P. O. Box 475 Huntington, Utah 84528

Subject: Proposed Assessments for State Violation No. N 19151, Task ID #4938; No. N 19152,

Task ID #4939; No. N 19153, Task ID #4940; No. N 19154, Task ID #4941; Bear

Canyon Mine, C/015/0025

Dear Mr. Jorgensen:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed are the proposed civil penalty assessments for the above referenced violations. The violations were issued by Division Inspector, Joe Helfrich, on June 18, 2015. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty(ies). By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of these Notices of Violation has been considered in determining the facts surrounding the violations and the amount of penalty(ies).

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the <u>fact of any of the referenced violations</u>, you should file a written request for an Informal Conference within thirty (30) days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty(ies).



2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within thirty (30) days of receipt of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph 1, the Assessment Conference will be scheduled immediately following that review.

If a timely request for review is not made, the fact of violation will stand, the proposed penalty(ies) will become final, and the penalty(ies) will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Suzanne Steab.

Sincerely,

Daron R. Haddock Assessment Officer Haddock

Enclosure

OSM Compliance Report Suzanne Steab, DOGM O:\015025.BCN\WG4938 N19151\PROPOSED ASSESSMENT.DOC

WORKSHEET FOR ASSESSMENT OF PENALTIES DIVISION OF OIL, GAS & MINING

COM	COMPANY / MINE _ Castle Valley Mining, LLC/ Bear Canyon Mine							
PERN	ERMIT <u>C/015/0025</u> NOV # <u>N 19151</u> VIOLATION <u>1</u> of <u>1</u>							
ASSE	SSESSMENT DATE July 28, 2015							
ASSE	SSESSMENT OFFICER Daron R. Haddock							
I.	HISTORY (Max. 25 pts.)							
A. Are there previous violations, which are not pending or vacated, which is (1) year of today=s date?						racated, which fall one		
	PREV	VIOUS	VIOLATIONS	EFFECTIVE	E DATE	POINTS		
			——————————————————————————————————————					
		1 point for each past violation, up to one (1) year 5 points for each past violation in a CO, up to one (1) year No pending notices shall be counted						
					TOTAL HI	STORY POINTS 0		
II.	<u>SERI</u>	OUSN.	ESS (Either A or B))				
	NOTI	Е:	For assignment of p	signment of points in Parts II and III, the following apply:				
		1.	Based on facts supp determine within ea		,	essment Officer will on falls.		
				d-point of the category, the Assessment Officer will or down, utilizing the inspector=s and operator=s ag documents.				
		Is this	s an EVENT (A) or H	IINDRANCE (E	3) violation?	Event		
	A.	<u>EVEN</u>	NT VIOLATION (M	ax 45 pts.)				
		1.	d standard was	designed to prevent?				

Water Pollution/ Offsite contributions of additional suspended solids.

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 4

PROVIDE AN EXPLANATION OF POINTS:

***According to the information in the inspector statement, the sediment pond inlets had eroded which could lead to the additional sediment load to the pond. The inspector indicated that the event had not occurred and was unlikely to occur.

3. What is the extent of actual or potential damage?

RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS <u>5</u>

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, no damage occurred as a result of the violation and the potential for damage was unlikely. Thus points are assigned in the lower end of the range.

- B. HINDRANCE VIOLATION (Max 25 pts.)
 - 1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? Actual RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN	HINDRANCE	POINTS	NA	
	IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	LOMINE	T 47 F	

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 9

III. <u>NEGLIGENCE</u> (Max 30 pts.)

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE; or, was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence 0
Negligence 1-15
Greater Degree of Fault 16-30

STATE DEGREE OF NEGLIGENCE --- Negligence

ASSIGN NEGLIGENCE POINTS 7

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, the violation was the result of not knowing about or understanding the sediment pond regulations. Points are assigned in the lower end of the ordinary negligence range.

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)

(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?

IF SO--EASY ABATEMENT

Easy Abatement Situation

X Immediate Compliance -11 to -20*

(Immediately following the issuance of the NOV)

X Rapid Compliance -1 to -10

(Permittee used diligence to abate the violation)

X Normal Compliance

(Operator complied within the abatement period required)

(Operator complied with condition and/or terms of

approved Mining and Reclamation Plan)

^{*}Assign in upper of lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.

Page 2 C/015/0025 July 28, 2015

> В. Did the permittee not have the resources at hand to achieve compliance, or does the situation require the submission of plans prior to physical activity to achieve compliance? IF SO--DIFFICULT ABATEMENT Difficult Abatement Situation X Rapid Compliance -11 to -20* (Permittee used diligence to abate the violation) Normal Compliance X -1 to -10* (Operator complied within the abatement period required) X Extended Compliance (Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete) (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan) EASY OR DIFFICULT ABATEMENT?

PROVIDE AN EXPLANATION OF POINTS:

***Good faith will be evaluated upon termination of the violation

V. ASSESSMENT SUMMARY

	TOTAL ASSESSED FINE	\$ 352
IV.	TOTAL GOOD FAITH POINTS TOTAL ASSESSED POINTS	to be determined later.
III.	TOTAL NEGLIGENCE POINTS	7
II.	TOTAL SERIOUSNESS POINTS	9
I.	TOTAL HISTORY POINTS	
NOTI	CE OF VIOLATION # N 19151	

ASSIGN GOOD FAITH POINTS _____



Citation for Non-Compliance

Citation #: 19151

Utah Coal Regulatory Program 1594 West North Temple, Salt Lake City, UT 8	24114	Permit Number: C0150025			
Phone: (801) 538-5340 Fax: (801) 359-3940	4114	Date Issued: 06/18/2015			
NOTICE OF VIOLATION CESSATION ORI	FAILURE TO ABATE CO				
Permittee Name: CASTLE VALLEY MINING LLC	Inspector	Number and ID: 1 JHELFRIC			
Mine Name: BEAR CANYON MINE	Date and Tir	me of Inspection: 05/13/2015			
Certified Return Receipt Number: 70123460000295596472	Date and	Time of Service: 06/18/2015			
Nature of condition, practice, or violation: The permittee has not maintained the inlets to sediment ponds A, B, C, mining and reclamation plan (MRP).	and D in acc	cordance with Appendix 7F of the approved			
Provisions of Act, regulations, or permit violated: R645-301-742.123					
This order requires Cessation of ALL minit	ng activit	ies. (Check box if appropriate.)			
Condition, practice, or violation is creating an imminent danger to health or safety of the public. Permittee is/has been conducting mining activities without a Permit.					
reasonably be expected to cause significant, imminent	☐ Notice of	failed to abate Violation(s) included in f Violation or Cessation Order within time originally fixed or subsequently extended.			
This order requires Cessation of PORTION	(S) of m	ining activities.			
Mining activities to be ceased immediately: Yes	No	Abatement Times (if applicable).			
		30 days, no later than 5:00 Pm Friday			
		30 days, no later than 5:00 Pm Friday July 17th for the submittal of plans for			
		July 17th for the submittal of plans for			
Action(s) required: Yes No Sediment Pond A: Clean and reestablish the rip-rapped inlet channel the appropriate coal stockpile pad. Sediment Pond B: Refer to # 4b of the attached DOGM inspection reposediment pond C: Clean and reestablish the rip-rapped inlet channel the the leachfield upstream of pond C. Sediment Pond D: Refer to # 4b of the attached DOGM inspection reposediment Pond D: Refer to # 4b of the attached DOGM inspection reposed.	ert. e has been erd	July 17th for the submittal of plans for ponds B & D and repair of inlets for ponds A & C. roded and place the waste material on the oded. Repair the erosion on the outslope of			
Sediment Pond A: Clean and reestablish the rip-rapped inlet channel the appropriate coal stockpile pad. Sediment Pond B: Refer to # 4b of the attached DOGM inspection reports Sediment pond C: Clean and reestablish the rip-rapped inlet channel the the leachfield upstream of pond C. Sediment Pond D: Refer to # 4b of the attached DOGM inspection reports.	ert. e has been erd	July 17th for the submittal of plans for ponds B & D and repair of inlets for ponds A & C. roded and place the waste material on the oded. Repair the erosion on the outslope of			
Sediment Pond A: Clean and reestablish the rip-rapped inlet channel the appropriate coal stockpile pad. Sediment Pond B: Refer to # 4b of the attached DOGM inspection reports Sediment pond C: Clean and reestablish the rip-rapped inlet channel the the leachfield upstream of pond C. Sediment Pond D: Refer to # 4b of the attached DOGM inspection reports are not pond D: Defent to # 4b of the attached DOGM inspection reports are not pond D: Pond D: Refer to # 4b of the attached DOGM inspection reports are not pond D: Pond D	ort. e has been ero	July 17th for the submittal of plans for ponds B & D and repair of inlets for ponds A & C. roded and place the waste material on the oded. Repair the erosion on the outslope of			

WORKSHEET FOR ASSESSMENT OF PENALTIES DIVISION OF OIL, GAS & MINING

COM	PANY	/ MINE	Castle Valley Min	ning, LLC/ Bea	ar Canyon Mine	2		
PERN	ЛІТ <u>С</u>	/015/00	25 NOV # N	1 19152	VIOLATIO	N <u>1</u> of <u>1</u>		
ASSE	ASSESSMENT DATE July 28, 2015							
ASSE	SSESSMENT OFFICER <u>Daron R. Haddock</u>							
I.	HISTORY (Max. 25 pts.)							
	A. Are there previous violations, which are not pending or vacated, which fall (1) year of today=s date?							
	PREV	VIOUS	VIOLATIONS	EFFECTIV	E DATE	POINTS		
				=======================================				
		1 point for each past violation, up to one (1) year 5 points for each past violation in a CO, up to one (1) year No pending notices shall be counted						
					TOTAL HI	STORY POINTS 0		
II.	<u>SERI</u>	<u>IOUSN</u>	ESS (Either A or B)				
	NOT	E:	For assignment of	points in Parts l	II and III, the fo	llowing apply:		
		1.	Based on facts suppletermine within ea	•		essment Officer will on falls.		
2. Beginning at the mid-point of the category, the Asses adjust the points up or down, utilizing the inspector statements as guiding documents.								
		Is this	s an EVENT (A) or H	IINDRANCE (B) violation?	Event		
	A.	<u>EVEN</u>	NT VIOLATION (M	(ax 45 pts.)				
		1.	What is the event v	which the violat	ed standard was	designed to prevent?		

Environmental harm.

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 2

PROVIDE AN EXPLANATION OF POINTS:

***According to the information in the inspector statement, non-coal waste had accumulated within the boundary of the permit area and in ponds, stream buffer zones and undisturbed drainages. The inspector indicated that the event had not occurred and was unlikely to occur.

3. What is the extent of actual or potential damage?

RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 3

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, no damage occurred as a result of the violation and the potential for damage was unlikely. Thus points are assigned in the lower end of the range.

- B. <u>HINDRANCE VIOLATION</u> (Max 25 pts.)
 - 1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? Actual RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN HINDRANCE POINTS NA

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 5

III. <u>NEGLIGENCE</u> (Max 30 pts.)

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE; or, was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence 0
Negligence 1-15
Greater Degree of Fault 16-30

STATE DEGREE OF NEGLIGENCE --- Negligence

ASSIGN NEGLIGENCE POINTS 5

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, the violation was the result of indifference to DOGM regulations. The Operator did not exercise reasonable care to handle the non-coal waste. Points are assigned in the lower end of the ordinary negligence range.

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)

(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?

IF SO--EASY ABATEMENT

Easy Abatement Situation

X Immediate Compliance -11 to -20*
(Immediately following the issuance of the NOV)

X Rapid Compliance -1 to -10

(Permittee used diligence to abate the violation)

X Normal Compliance 0

(Operator complied within the abatement period required) (Operator complied with condition and/or terms of approved Mining and Reclamation Plan) Page 2 C/015/0025 July 28, 2015

- *Assign in upper of lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.
- B. Did the permittee not have the resources at hand to achieve compliance, or does the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation

X Rapid Compliance -11 to -20*

(Permittee used diligence to abate the violation)

X Normal Compliance -1 to -10*

(Operator complied within the abatement period required)

X Extended Compliance 0

(Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete) (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY (OR DIFFICULT	ABATEMENT?	

PROVIDE AN EXPLANATION OF POINTS:

***Good faith will be evaluated upon termination of the violation

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # N 19152

I. TOTAL HISTORY POINTS

II. TOTAL SERIOUSNESS POINTS

III. TOTAL NEGLIGENCE POINTS

IV. TOTAL GOOD FAITH POINTS

to be determined later.

TOTAL ASSESSED POINTS 10

TOTAL ASSESSED FINE \$ 220

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Citation for Non-Compliance

Citation #:	19152
Permit Number:	C0150025

	Utah Coal Regulatory Program 1594 West North Temple, Salt Lake City, UT 8411		Permit Number:		C0150025		
OIL, GAS B MINING Phone: (801) 538-5340 Fax: (801) 359-3940			D	Date Issued: 06/18/2015			
NOTICE OF VIOLATION CESSATION ORDER (CO				FAILURE	E TO ABATE CO		
Permittee Name: CASTLE VALLEY MINING	LLC	Inspecto	or Number	and ID: 1	JHELFRIC		
Mine Name: BEAR CANYON MINE			lime of Ins	Time of Inspection: 05/13/2015			
Certified Return Receipt Number: 7612346	00002955964	72. Date an	ıd Time of	Service: 06/18	8/2015		
Nature of condition, practice, or violation: The permittee has not placed and stored non-coal waste in a controlled manner in a designated portion of the permit area.							
Provisions of Act, regulations, or permi R645-301-528,331	t violated:						
This order requires Ces	sation of ALL	mining activ	ities. (Check box if	appropriate.)		
Condition, practice, or violation is c imminent danger to health or safety	Condition, practice, or violation is creating an imminent danger to health or safety of the public. Permittee is/has been conducting mining activities without a Permit.						
reasonably be expected to cause sign	Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources. Permittee has failed to abate Violation(s) included in Notice of Violation or Cessation Order within time for abatement originally fixed or subsequently extended.						
This order requires Ces	sation of POR		nining	activities.			
Mining activities to be ceased im-	mediately: Y	es 🗸 No	Ab	atement Times	(if applicable).		
			30	days, no later th	an Friday, July 17th.		
			_				
Action(s) required: Yes No Remove the non-coal waste from the following areas: The four sediment ponds (A-D), stream buffer zones, outslope of portal pad 3. Ensure that non-coal waste from any other areas within and adjacent to the distirbed area and outslopes of the access road to the #4 portal is properly stored.							
Jaren Jorgensen		2	JO)	E HELFRIC	Н		
(Print) Permittee Representation	(Print) Permittee Representative						
Permittee Representative's Signature	Permittee Representative's Signature - Date DOGM Representative's Signature - Date						
SEE REVERSE S	IDE Of This Forth F	or Instructions An	d Additio	anal Information	,		

WORKSHEET FOR ASSESSMENT OF PENALTIES DIVISION OF OIL, GAS & MINING

COMF	PANY /	MINE	Castle Valley Minin	ng, LLC/ Bear	Canyon Mine		
PERM	IIT <u>C/</u>	015/002	NOV # <u>N 1</u>	9153	VIOLATION	_1_ of _1_	
ASSES	SSMEN	NT DAT	E July 28, 2015				
ASSES	SSMEN	NT OFF	ICER <u>Daron R. Had</u>	dock	- 8		
I.	HISTORY (Max. 25 pts.)						
	A. Are there previous violations, which are not pending or vacated, which fall one (1) year of today=s date?					cated, which fall one	
	PREV	IOUS V	/IOLATIONS	EFFECTIVE	DATE	POINTS	
	.						
	1 point for each past violation, up to one (1) year 5 points for each past violation in a CO, up to one (1) year No pending notices shall be counted					1) year	
					TOTAL HIS	TORY POINTS 0	
II.	<u>SERIO</u>	<u>DUSNE</u>	ESS (Either A or B)				
	NOTE	:	For assignment of po	ints in Parts II a	and III, the follo	owing apply:	
			Based on facts supplied by the inspector, the Assessment Officer will determine within each category where the violation falls.				
2. Beginning at the mid-point of the category, the adjust the points up or down, utilizing the inspestatements as guiding documents.				•			
Is this an EVENT (A) or HINDRANCE (B) violation? Event					Event		
	A.	<u>EVEN</u>	T VIOLATION (Max	45 pts.)			
		1.	What is the event wh	ich the violated	standard was o	designed to prevent?	

Activity outside the approved permit area/ Offsite contributions of additional suspended solids.

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS:

***According to the information in the inspector statement, materials from the storage area had spilled into the stream buffer zone. Coal fines and non-coal waste had accumulated in the stream buffer zone. A pump and hose were placed in the stream buffer zone to decant ponds A and B. Additional sediment loading and disruption of vegetation in Bear Creek was apparent.

3. What is the extent of actual or potential damage?

RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 15

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, damage occurred as a result of the sediment loading which extended off the disturbed area. The amount of damage was uncertain, but could have been there for a long time had it not been discovered by the inspector. Because the amount of damage is uncertain but actually occurred and extended off the disturbed area points are assigned slightly above the midpoint of the range.

- B. <u>HINDRANCE VIOLATION</u> (Max 25 pts.)
 - 1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? Actual RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN	HINDRANCE	POINTS	NA	
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PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 35

III. NEGLIGENCE (Max 30 pts.)

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE; or, was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence 0
Negligence 1-15
Greater Degree of Fault 16-30

STATE DEGREE OF NEGLIGENCE---Negligence

ASSIGN NEGLIGENCE POINTS 5

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, the violation was the result of indifference to DOGM regulations. The Operator did not exercise reasonable care to ensure that the stream buffer zone was being protected. Points are assigned in the lower end of the ordinary negligence range.

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)

(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?

IF SO--EASY ABATEMENT

Easy Abatement Situation

X Immediate Compliance -11 to -20*
(Immediately following the issuance of the NOV)

X Rapid Compliance -1 to -10

(Permittee used diligence to abate the violation)

X Normal Compliance 0

(Operator complied within the abatement period required) (Operator complied with condition and/or terms of approved Mining and Reclamation Plan)

B. Did the permittee not have the resources at hand to achieve compliance, or does the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation

X Rapid Compliance -11 to -20*

(Permittee used diligence to abate the violation)

X Normal Compliance -1 to -10*

(Operator complied within the abatement period required)

X Extended Compliance (

(Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete) (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT?

ASSIGN GOOD FAITH POINTS

PROVIDE AN EXPLANATION OF POINTS:

***Good faith will be evaluated upon termination of the violation

V. ASSESSMENT SUMMARY

	TOTAL ASSESSED FINE	\$ 2200
	TOTAL ASSESSED POINTS	40_
IV.	TOTAL GOOD FAITH POINTS	to be determined later.
III.	TOTAL NEGLIGENCE POINTS	5
II.	TOTAL SERIOUSNESS POINTS	35
I.	TOTAL HISTORY POINTS	1
NOTI	CE OF VIOLATION # <u>N 19153</u>	

^{*}Assign in upper of lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.

	UTAH
	DNR
-	THE PARTY
1	

Citation for Non-Compliance

Citation	#:	19153

Utah Coal Regulatory Program			Permit Number: C0150025			
1594 West North Temple, Salt Lake City, UT 84114 Phone: (801) 538-5340 Fax: (801) 359-3940			Date Issued: 06/18/2015			
NOTICE OF VIOLATION	NOTICE OF VIOLATION CESSATION ORDER (CO			FAILURE	то авате со	
Permittee Name: CASTLE VALLEY MINING	LLC	Inspect	or Number an	d ID: 1	JHELFRIC	
Mine Name: BEAR CANYON MINE		Date and	Date and Time of Inspection: 05/13/2015			
Certified Return Receipt Number: 70/2344	000029559647	Date ar	nd Time of Sei	rvice: 06/18	3/2015	
Nature of condition, practice, or violation Encroachment of the stream buffer zone a		ine.				
Provisions of Act, regulations, or permit violated: R645-301-731.600						
This order requires Cess	sation of ALL	mining activ	ities. (Ch	eck box if a	appropriate.)	
Condition, practice, or violation is o	Condition, practice, or violation is creating an imminent danger to health or safety of the public. Permittee is/has been conducting mining activities without a Permit.					
Condition, practice, or violation is or reasonably be expected to cause sign environmental harm to land, air, or	nificant, imminent	■ Notice	of Violation	ı or 🔲 Cessa	n(s) included in tion Order within time equently extended.	
This order requires Cess	sation of POR	ΓΙΟΝ(S) of n	nining a	ctivities.		
Mining activities to be ceased immediately: Yes VNo Abatement Times (if applicable).					(if applicable).	
			30 day	ys, no later tha	an 5:00 PM Friday	
			July 1	7th.		
Action(s) required: Yes No Remove materials from storage areas that have spilled over into the stream buffer area. Remove the hoses and or other equipment used to decant pond A to pond B. Submit plans for an alternative route to decant pond A into pond B. Submit plans for the clean-up of the coal and or coal fines in the buffer zone. The plans must be complete and adequate and implemented upon approval.						
Jaren Jorgensen		3	JOE)	HELFRIÇI	H	
(Print) Permittee Representativ	ve	Queloh ((PrintyDOGN/Representative			
Permittee Representative's Signature	e - Date	1	OOGM Represe	entative's Signatu	re - Date	
SEE REVERSE SI	DE Of This Form Fo	or Instructions An	d Additiona	l Information		

WORKSHEET FOR ASSESSMENT OF PENALTIES DIVISION OF OIL, GAS & MINING

COM	PANY	/ MINE	_Castle Valley Mi	ining, LLC/ Bear	r Canyon Mine			
PERM	/IT <u>C</u> /	/015/002	25 NOV # <u>1</u>	N 19154	VIOLATIO	N1_ of1		
ASSE	SSME	NT DA	ΓΕ <u>July 28, 2015</u>					
ASSE	SSME	NT OFF	FICER <u>Daron R. H</u>	Iaddock				
I.	HISTORY (Max. 25 pts.)							
	A.		nere previous violati ar of today=s date?	ons, which are no	ot pending or v	acated, which fall one		
	PREV	VIOUS Y	VIOLATIONS	EFFECTIVE	E DATE	POINTS		
			1 point for each pa 5 points for each pa No pending notice	oast violation in a	CO, up to one	(1) year		
					TOTAL HI	STORY POINTS 0		
II.	<u>SERI</u>	<u>OUSNI</u>	ESS (Either A or E	3)				
	NOTE	Ξ:	For assignment of	points in Parts II	and III, the fol	nd III, the following apply:		
	1.		Based on facts supplied by the inspector, the Assessment Officer will determine within each category where the violation falls.					
2. Beginning at the mid-point of the cadjust the points up or down, utiliz statements as guiding documents.			• •					
		Is this	an EVENT (A) or I	HINDRANCE (E	3) violation?	Event		
	A.	EVEN	IT VIOLATION (N	Max 45 pts.)				
		1.	What is the event	which the violate	d standard was	designed to prevent?		

Offsite contributions of additional suspended solids.

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE		
None	0		
Unlikely	1-9		
Likely	10-19		
Occurred	20		

ASSIGN PROBABILITY OF OCCURRENCE POINTS <u>20</u>

PROVIDE AN EXPLANATION OF POINTS:

***According to the information in the inspector statement, sediment laden run-off by-passed the drainage controls and entered Bear creek. Coal fines from the mine conveyor had entered the undisturbed drainage in the form of a slurry. Additional sediment loading in Bear Creek was apparent.

3. What is the extent of actual or potential damage?

RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 15

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, damage occurred as a result of the sediment loading which extended off the disturbed area. The mine conveyor and drainage controls were not adequately maintained. The amount of damage was uncertain, but could have been there for a long time had it not been discovered by the inspector. Because the amount of damage is uncertain but actually occurred and extended off the disturbed area points are assigned slightly above the midpoint of the range.

- B. <u>HINDRANCE VIOLATION</u> (Max 25 pts.)
 - 1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? Actual RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 35

III. <u>NEGLIGENCE</u> (Max 30 pts.)

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE; or, was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence 0
Negligence 1-15
Greater Degree of Fault 16-30

STATE DEGREE OF NEGLIGENCE---Negligence

ASSIGN NEGLIGENCE POINTS ___5_

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement, the violation was the result of indifference to DOGM regulations. The Operator did not exercise reasonable care to maintain the sediment control structures and conveyor system. Points are assigned in the lower end of the ordinary negligence range.

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)

(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?

IF SO--EASY ABATEMENT

Easy Abatement Situation

X

X Immediate Compliance -11 to -20*

(Immediately following the issuance of the NOV)

X Rapid Compliance -1 to -10

(Permittee used diligence to abate the violation)

0

Normal Compliance

(Operator complied within the abatement period required) (Operator complied with condition and/or terms of approved Mining and Reclamation Plan)

B. Did the permittee not have the resources at hand to achieve compliance, or does the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation

X Rapid Compliance -11 to -20*
(Permittee used diligence to abate the violation)

X Normal Compliance -1 to -10*

(Operator complied within the abatement period required)

X Extended Compliance 0
(Permittee took minimal actions

(Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete) (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? _____

ASSIGN GOOD FAITH POINTS

PROVIDE AN EXPLANATION OF POINTS:

***Good faith will be evaluated upon termination of the violation

V. <u>ASSESSMENT SUMMARY</u>

NOTICE OF VIOLATION # N 19154

I. TOTAL HISTORY POINTS

II. TOTAL SERIOUSNESS POINTS

III. TOTAL NEGLIGENCE POINTS

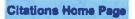
IV. TOTAL GOOD FAITH POINTS

TOTAL ASSESSED POINTS

TOTAL ASSESSED FINE

\$ 2200

^{*}Assign in upper of lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.





Citation for Non-Compliance Citation #: 19154

Utah Coal Regulatory Program 1594 West North Temple, Salt Lake City, UT 84114			. 1	Permit Number: C0150025		
OIL. GAS & MINING 1594 West North Tem Phone: (801) 538-53			4114		Date Issued:	06/18/2015
NOTICE OF VIOLATION	CESSATIO	ON ORD	ER (CO)		FAILURE	E TO ABATE CO
Permittee Name: CASTLE VALLEY MINING	LLC		Inspecto	r Num!	ber and ID: 1	JHELFRIC
Mine Name: BEAR CANYON MINE			Date and T	ime of	Inspection: 05/13	3/2015
Certified Return Receipt Number: 701234	60000295596	472	Date an	d Time	e of Service: 06/18	8/2015
Nature of condition, practice, or violation. The permittee has failed to properly main on the #4 portal access road and undisturb undisturbed drainage adjacent to bear creation.	on: ntain support facilities bed culvert # C7U so	s (overlan				
Provisions of Act, regulations, or permi R645-301-521.170 R645-301-742.200 R645-301-742.423.2 R645-301-742.423.3	t violated:					
This order requires Ces	sation of ALL	minir	ig activi	ities	. (Check box if	appropriate.)
Condition, practice, or violation is c imminent danger to health or safety	creating an	ПР				ning activities without a
Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources. Permittee has failed to abate Violation(s) included in Notice of Violation or Cessation Order within time for abatement originally fixed or subsequently extended.				ation Order within time		
This order requires Cess	sation of POR	TION	(S) of n	ninir	ng activities.	
Mining activities to be ceased imp			No		Abatement Times	(if applicable).
				(60 days no later tha	an 5:00 PM Monday
					August 17th.	
Action(s) required: Yes No Repair the overland conveyor cover system and coal slurry leaks in accordance with the approved MRP. Repair the sediment control structures and eroded embankments on the access road to the #4 portal. Submit plans for the clean-up of coal and coal fine slurry and sediment in the undisturbed drainage adjacent to Bear creek. Plans must be complete and adequate and implemented upon approval.						
Jaren Jorgensen				J	OE HEL/FRIC	Н
(Print) Permittee Representation	ve	a	ount.		rint) DOGM Robresength	
Permittee Representative's Signature	e - Date	7	D	OGM I	Representative's Signatu	ure - Date
CEE DEVEDEE C	IDE Of This Form	Non Inche	untique An	4 444	litional Information	

ال 7 12 5	(Domestic Mail Only; No Insurance Coverage Provided)
2.2 2.2 2.3 2.3	OFFICIAL USE Postage \$
34 60 000 c	Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endors: Castle Valley Mining, LLC Total I Jaren Jorgensen
7012	Sont To P.O. Box 475 Sirest, Huntington, Utah 84528 or PO L Oily, State, 217+4
A	PS Form 3800, August 2006 See Reverse for instructions